

Message Text

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PAGE 01 ANKARA 09867 301647Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
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FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 5969
INFO AMCONSUL ISTANBUL
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AMCONSUL ADANA

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E.O.11652: N/A
TAGS: BDIS, TU
SUBJECT: CLAIMS BY CONTINENTAL, BUNGE AND CARGILL
GRAIN COMPANIES AGAINST GOT

REF: A-107

1. DURING MEETING WITH MINISTER OF AGRICULTURE, IN
ADDITION TO DISCUSSION OF NUMBER OF OTHER SUBJECTS
BEING SEPARATELY REPORTED, I RAISED MY CONTINUING CONCERN
OVER UNSATISFIED CLAIMS AGAINST GOT OF CONTINENTAL,
BUNGE AND CARGILL GRAIN COMPANIES. (GOT LATEST REJECTION
OF CONTINENTAL INITIATIVE TO SETTLE CLAIM REPORTED IN
ANKARA A-107. THIS INITIATIVE WAS CONVEYED IN LETTER
OF NOVEMBER 30 TO ME FROM THEODORE SORENSEN,
LWYER FOR CONTINENTAL GRAIN. TEXTS OF SORENSEN LETTER AND MY
INTERIM RESPONSE OF DEC 17 ALSO REPORTED IN
ANKARA A-107).

2. BECAUSE OF THE SIZE OF THE CUMULATIVE BREACH OF
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CONTRACT CLAIMS OF THE THREE COMPANIES (NOW EXCEEDING
\$60 MILLION), I EXPRESSED VIEW THAT THESE COULD
BECOME SERIOUS BURDEN ON US/TURK RELATIONSHIPS.
MINISTER OZAL SAID THAT HE WAS ALSO VERY CONCERNED
ABOUT THE SITUATION, WHICH HE FELT HAD BEEN COMPLICATED
BY THE SIGNIFICANT DROP IN WORLD WHEAT PRICES.

FURTHER, HE CONTINUED TO FEEL THAT NOTHING COULD BE DONE UNTIL THE LEGAL PROCEDURES, IN WHICH THE COMPANIES AND THE GOT WERE NOW INVOLVED, HAD RUN THEIR COURSE. I NOTED THAT THIS MIGHT GO ON FOR AT LEAST ANOTHER YEAR OR PERHAPS MUCH LONGER, AND I URGED HIM TO SEE IF HE COULD NOT COME UP WITH SOME WAY THAT WOULD ENABLE HIM TO REACH AN EARLIER SOLUTION. IN MAKING THIS APPROACH TO THE MINISTER, I EMPHASIZED THAT I HAD NO SPECIFIC SOLUTION IN MIND, BUT I EXPRESSED THE HOPE THAT HE, AS AN AGRICULTURAL EXPERT, COULD WORK ONE OUT THAT WOULD BE SATISFACTORY TO BOTH THE GOT AND THE THREE COMPANIES INVOLVED.

3. OZAL REPLIED THAT HE HIMSELF COULD NOT REPEAT NOT THINK OF ANY WAY A SOLUTION COULD BE REACHED PRIOR TO THE EXHAUSTION OF THE PRESENT LEGAL PROCEDURES. HE SAID, HOWEVER, THAT HE HAD AN OPEN MIND AND WOULD CONSIDER ANY SOLUTION THAT WAS PRESENTED TO HIM WHICH WOULD BE (A) SOUND AND (B) DEFENDABLE IN A DOMESTIC POLITICAL SENSE. IF ANYONE COULD COME UP WITH ANY IDEAS THAT MET THESE CRITERIA, HE WOULD, HE REPEATED, BE HAPPY TO CONSIDER THEM.

4. COMMENT: MY READING OF THE SITUATION IS THAT THE MINISTER FEELS THAT NO ONE IS LIKELY TO COME UP WITH A SOLUTION WHICH WILL BE POLITICALLY FEASIBLE HERE AND THAT HE WILL THEREFORE PERSIST IN TAKING NO ACTION UNTIL THE ADJUDICATIVE COURSE IS COMPLETED. UNDER THESE CIRCUMSTANCES I BELIEVE THERE IS LITTLE FURTHER EMBASSY CAN EFFECTIVELY DO FOR THE PRESENT, BUT LIMITED OFFICIAL USE

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WOULD WELCOME DEPT. GUIDANCE ON THIS POINT.

5. BECAUSE OF THE INTERVENING APPOINTMENT (DEC. 23) OF MR. SORENSEN TO A POSITION IN THE CARTER ADMINISTRATION, I DO NOT REPEAT NOT INTEND TO COMMUNICATE WITH HIM FURTHER CONCERNING THIS CASE IN WHICH HE HAS BEEN ACTING IN HIS PRIVATE LEGAL CAPACITY. I ASSUME, HOWEVER, THAT MR. SORENSEN'S FORMER LAW FIRM WILL CONTINUE AS CONTINENTAL LEGAL REPRESENTATIVE IN THIS CASE. THEREFORE (AND IF DEPARTMENT BELIEVES THIS IS APPROPRIATE WAY TO PROCEED), EUR/SE MAY WISH TO PASS ON GIST OF THIS MESSAGE AND ANKARA A-107 TO MR. RIFKIN, LISTED AS SENIOR PARTNER OF THE FIRM, FOR REFERRAL TO WHOEVER IS TAKING OVER THE CASE. TELEPHONE NUMBER OF PAUL, WEISS, RIFKIN, WHARTON AND GARRISON IN NEW YORK CITY IS (212) 644-8000. MACOMBER

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